that a committee of enquiry should be appointed?

Mr. M. G. MEHKRI.—Some Arya Vysya Association held meetings and passed resolutions to that effect.

Mr. K. SUBBIAH SETTY.—What was the reply of Government to those representations?

Mr. M. G. MEHKRI.—No reply was given.

Mr. K. SUBBIAH SETTY.—Was it not the duty of Government to send them replies?

Mr. PRESIDENT.—That question does not arise.

Mr. K. SUBBIAH SETTY.—At the meeting held on the day Mr. Murthy committed suicide, did Government ask him to work under Mr. S. G. Forbes?

Mr. M. G. MEHKRI.—No. At the time of his death he was still an Electrical Inspector. Abolition of the post was only subsequent to his death.

Mr. K. SUBBIAH SETTY.—He had not received any orders before his death to the effect that his post was going to be abolished?

Mr. M. G. MEHKRI.—No.

Mr. K. SUBBIAH SETTY.—Did any one personally tell him that he was likely to be transferred?

Mr. M. G. MEHKRI.—Somebody might have told him.

Mr. K. SUBBIAH SETTY.—Has a tragedy similar to the present taken place in the history of Mysore at any time in the past?

Mr. PRESIDENT.—There might have been cases of the kind in the past also. They may happen at any time if people are neurotic.

Mr. S. C. MALLIAH.—In view of the very large number of questions and answers on this unfortunate affair, will the Government be pleased to take steps to see how far the facts brought to notice to-day are true?

Mr. PRESIDENT.—There is nothing new in them.

Mr. B. S. VENKATANAGAPPA SETTY.—In view of the tragic circumstances of the case in question, will the Government be pleased to extend any special help to the children of the deceased?

Mr. PRESIDENT.—That is not a supplementary question.

4. The Mysore Coffee Market Expansion Bill.

The SECRETARY to GOVERNMENT, DEVELOPMENT DEPARTMENT (Mr. V. Vedavyasacharya) explained the principles of the Bill as follows:—

As a reult of the present war, the Europeans markets (with the possible exception of Great Britain), which absorbed about one half of the total quantity of coffee produced in India, became practically closed for the export of Indian coffee. It was feared that the whole crop would be unloaded on the Indian market and the price thereby considerably reduced, a substantial portion remaining unabsorbed. Persons interested in the industry therefore commenced to explore the possibility of controlling the marketing of coffee. Mysore, which accounts for about half the coffee produced in India, was also interested in the solution of this problem.

In September 1940, the Hon'ble the Commerce Member of the Government of India convened a conference at Madras for the purpose of considering the question. The representatives of the Government of Mysore, Madras, Coorg and Travancore also attended. At that conference the following tentative conclusions were reached, namely:—

(1) that all estates exceeding a certain acreage should get registered;

(2) that the owners of registered estates should be allotted a quota for the sale of coffee in the Indian market, depending on the anticipated demand and liable to revision from time to time;

(3) that coffee produced in excess of the quota should be handed over to a common pool, and that such coffee should be exported or, if found more profitable, released for internal sale;

(4) that the moneys realised by sales from the pool should be distributed among those who have contributed to the pool in proportion to their contributions; and

(5) that the Indian Coffee Cess Committee should be enlarged and invested with requisite power to function as a Control Board.

The Government of India who were requested to undertake necessary legislation in order to implement these conclusions, promulgated in December 1940 an Ordinance (XIII of 1940) called the Coffee Market Expansion Ordinance. In Mysore also legislation was undertaken by means of an Emergency Act (XXVIII of 1940) in this behalf.

It was expected that the scheme would be tried for a short time and in British India the legislation has been expressed to be for a limited period only In Mysore the limitation was impliedly provided for by the enactment of emergency legislation whose operation was therefore limited to a period of six months. But as this Emergency Act was extended up to June 1940 only, whereas the British Indian Ordinance was expressed to extend up to 31st August 1941, the Emergency Act has been extended by a further period of six months by Act XI of 1941.

As its results have proved beneficial to the industry, it has been proposed to continue the scheme for some time more. In British India by Ordinance VIII of 1941, promulgated on the 28th August 1941, the Coffee Market Expansion Ordinance has been continued up to the 30th day of June 1942 and should the coffee interests so desire, it is likely to be the basis of legislation for a longer period. It has therefore become necessary to take similar action in Mysore. The present Bill which is modelled on the Emergency Act is intended to secure this object.

Mr. M. ABDUL AZIZ supported the principles of the measure. He said that an Emergency Act was already in force in the State, but it was extended by Government so as to remain in force after June 1940. The necessity for enforcing the law for some time to come in view of the situation caused by the present war was already explained by the Secretary to Government in the course of his elucidation of the principles of the Bill. Coffee planters who had already welcomed the emergency measure would similarly agree to the proposed legislation. They were also prepared to extend their heartiest co-operation to Government in enforcing its provisions in future. But the speaker noticed that in the Bill placed before the House, the Government had proposed certain new provisions not found in the Emergency Act already passed and that he and other planters had certain doubts concerning such provisions. For instance, in accordance with the understanding arrived at by several Governments at the conference convened by the Commerce Member of the Government of India, estate owners had to get their estates regis'ered. A fee of one rupee had been prescribed for such registration. Even coffee planters owning more than one estate in the Mysore State were expected to pay only one rupee for registration. But in some of the districts, the fee of one rupee was demanded in respect of each of the estates proposed for registration. Whereas in the same year, only one rupee had been collected in respect of more than one estate in another district.

The MINISTER for REVENUE and FINANCE (Rajamantrapravina K. V. Anantaraman) promised to make enquiries in the matter.

Mr. B. R. PUTTANANJAPPA acknowledged that the Emergency Act had been of considerable benefit to coffee planters at a time when they would have been adversely affected by conditions created by the war. But the protection which coffee planters required on account of war conditions was required in an equal measure by some others also. The speaker would therefore have been very glad if the Ordinance had provided for protection to all those who needed it. However, speaking of coffee in particular, he recognised the need for the Bill before the House and had therefore pleasure in supporting it. The necessity for the Bill had been established in the statement of principles. An Emergency Act had been already passed. The time up to which that Emergency Act was to be in force was over. The Government therefore proposed that a permanent law should

be made. But if the main object of the Bill was to enable coffee planters to get over the difficult situation created by the war, then necessity for such legislation would cease after the situation changed for the better. If this was so, there was need not for placing the measure on a permanent footing but to give effect to it only so long as the war situation necessitated it. In this view he proposed the inclusion of a clause in the Bill to the effect that it would remain in force only so long as there was necessity for it. He did not believe that it was really necessary to pass a law of this kind as a permanent measure. It was not desirable for the Government to have control over estate owners for all time to come. The planters themselves would never agree to a proposal of that kind. He was therefore of opinion that there should be an understanding between the Government and the Assembly that this law was meant to be in force for the duration of the war and not later than 30th June 1942. It should be extended only if there was real necessity for it and if similar extension was given in British India also.

Registration was compulsory in respect of estates exceeding 10 acres, and unless such estates were registered, the owners thereof were not entitled to the benefits of this Act. Owners of estates of less than 10 acres in extent were not compelled to register themselves. In other words, the benefit of this Act was not to accrue to such owners. According to clause 10, they were also not permitted to sell or store coffee grown on other estates. This indeed was a hardship to which small planters should not be subjected. To obviate this, the speaker suggested that groups of small estate owners must be permitted to register themselves on a voluntary basis.

According to clause 7 (1), Government could notify the maximum prices at which coffee might be sold within the country. He doubted very much how far a provision like that was called for and would really do good to coffee estate owners. He also felt that that provision would not be consistent with the object of the Bill as explained in the preamble. The object was to expand the market open to coffee but defining the maximum price would not be advantageous to coffee growers, as explained in the preamble but a restriction on estate owners. Again, if the Government considered it necessary to fix a maximum price, it was desirable that a minimum price also should be prescribed. In fact, it was more necessary to define the minimum than the maximum.

The Member then referred to provision 9 (*a*) under which it was made incumbent for getting coffee cured at the curing works. But there was no guarantee whether the curing would be done with equal care in every case. He would have been glad to know whether any special provision was contained in the British Indian Act regarding this point, and incidentally he would suggest that in cases of that kind Government would do well to append corresponding British Indian Act to Bills placed before the Assembly. In the case under reference, he wanted to know what remedy was open to estate owners who had entrusted their coffee to the Board or curing works in case the latter failed to take proper care either in preserving that coffee or in curing it. He referred to this question because he was not sure in view of rule 4 (4) what remedy lay if proper care was not taken of the coffee.

In the next place, the bulk of the produce from any given estate would have to be entrusted to the Board for sale. The sale-proceeds would reach the estate owner at some future date. Meanwhile the party might be in great need for money. The speaker therefore suggested that on the security of the coffee entrusted to the Board, the latter must be empowered to issue loans to the estate owners, which might be adjusted later on out of the sale proceeds. In cases of default, the Board might be permitted to attach the coffee remaining unsold, as in the case of attachment for arrears of land revenue.

He also requested that the Government or the Board should issue *takavi* loans for purposes of paying the land revenue due to Government. Subject to these proposals, he supported the Bill.

Mr. ALFRED MIDDLETON stated that coffee control had been of considerable help to the planters and there was nothing to complain against the proposed Bill which was calculated to continue the measures already taken in the interests of the planters. He was very thankful to the Dewan in this connection for all that he had done in the interest of coffee planters in Mysore. But on behalf of the coffee industry he wanted to represent a few minor points for consideration of the Government. One was that, as was already suggested by Mr. Puttananjappa, a clause should be put in that the law in question would cease to be in operation after June 1942 or after the repeal of British Indian enactment, whichever was later. Secondly, under clause 5 (1) planters whose gardens were 10 acres or more in extent, would be subject to very heavy penalties if they failed to register their estates and in order that the estate owners would not have to pay such penalties, the member requested the Government to instruct their local officers to advise the planters to register themselves. He also agreed with Mr. Puttananjappa that smaller planters should be permitted to get their estates registered in groups on a voluntary basis. He felt that clause 10 would be more effective if voluntary registration was provided for. He was sorry to say that in a number of cases, owners of small estates were sometimes able to sell large quantities of coffee. He was not sure that such owners had themselves produced those large quantities. Complaints of that kind would cease if voluntary registration was provided for.

Mrs. H. S. MADHAVA RAO wanted one point to be clarified, *viz.*, how the proposed law was going to help consumers as stated by the Secretary to Government, Development Department.

The PRESIDENT stated that maximum prices might be notified by Government, if necessary, so that profiteering by merchants could be prevented.

Mrs. H. S. MADHAVA RAO then asked why maximum prices were proposed to be fixed in respect of only coffee. She was aware that prices of many other articles, particularly commodities imported from abroad and even things grown locally such as vegetables, etc., had gone up beyond all expectations. It was equally desirable in all such cases to fix the maximum prices. At the same time, she was glad to see that certain things were selling cheap even in these days. She feared that the tendency of fixing maximum prices in respect of only particular articles would result in the prices of even other articles shooting up. She feared that the special protection which the Bill sought to give to the coffee industry was meant to favour European planters in particular.

Srimathi D. SAKAMMA observed that the remark of Mrs. Madhava Rao was very uncharitable. It must have been made out of ignorance of the position of the coffee industry.

She said that coffee planters could not be sufficiently grateful to the Government for having proposed this Bill. Coffee planters had been incurring untold losses for nearly ten years past. It was only in the previous year that their position had somewhat improved and that was altogether due to the Emergency Act passed by the Government. The previous speaker asked why prices should be put up. There was no question of putting up prices at all in this case. It was a question purely of giving protection to an industry which had been hit very hard not only on account of war conditions but also on account of failure of rains. Coffee planters, in several cases, were carrying on the industry only with the help of borrowed capital. In some cases they had to mortgage their crop. There was very little chance of redeeming the crop without the aid of the Emergency Act in question. In this view, she was glad that the Government had now proposed to place the law on a permanent footing. She agreed with Mr. Middleton that owners of estates did not have any idea of the provisions of this Bill. They were not likely to get themselves registered within the stipulated time unless they were specially advised to do so. She therefore suggested that Government must instruct their local officers to give the widest possible publicity to the provisions of the Bill, particularly

those relating to registration. And with regard to the proportion of crop to be handed over to the Board or the curing agency, she brought to notice that in particular seasons the planters had to incur very heavy expenses on account of labour charges, advances to labour contractors, chemical manure as well as personal expenses including marriages, etc. She therefore thought that it was very necessary to make money available for special purposes of the kind mentioned. The Board must therefore give sufficient advances to planters, the amount being adjusted out of the sale proceeds. She then referred to the system adopted by the curing works. The coffee entrusted to this agency would not all have been grown on first rate lands. Some of it would be of a very poor quality. All these would be cured at the curing works and kept for some time. At stated intervals, the quality of the coffee would be tested and "points" given according to quality. The difficulty so far as the suppliers were concerned was that even good coffee, if kept by for a fortnight, would lose in colour and deteriorate inqulity as time advanced. The result was that after a month or so, it would be very difficult to distinguish between really good and bad coffee. In the result, the price that could be secured by good coffee would be not much better than that for inferior varieties. She therefore requested the Government to instruct the Price Fixation Committee to see that the quality of each consignment was tested and the price thereof fixed within eight days of testing the samples.

Mr. Muktesar Patel DYAVE GOWDA also requested the Government to advise coffee planters individually to register themselves and to see that a lenient view was taken in cases of delay on the part of coffee planters in registering themselves.

Mr. M. S. ANNAPPA SETTY referred to clause 28 of the Bill and said that the levy of a fee was not justifiable in the case of registered owners desirous of inspecting the records maintained by the Board. He argued that the Board itself would be run with the help of moneys paid by the said owners, so that if the latter wanted to see the records concerning themselves, they ought not to be subjected to the payment of any fee.

He also agreed with the previous speakers that there was no necessity to place the proposed law on a permanent basis. If there was real need to extend it beyond June 1942, it might be done after consulting the U. P. A. S. I. He also brought to notice that in certain cases estate owners had been made to pay a registration fee of Re. 1 in respect of each estate and requested that clear instructions should be issued to concerned authorities that only one fee should be levied in the case of each planter irrespective of the number of estates offered for registration. Subject to these observations, he supported the Bill whole-heartedly.

Mr. MALLE GOWDA also urged that a fee of only Re. 1 should be levied from each registering planter. He said that the Board should make advances to suppliers of coffee at least to the extent of the assessment due to Government, since planters could not meet it until the sale proceeds were made over to them.

Srimathi D. SAKAMMA brought to notice, in this connection, that land revenue was being levied by the Coorg Government only on the basis of the particular quantities ef coffee crop sent to the curing works from particular estates.

Mr. MALLE GOWDA stated that *takavi* loans were being given formerly but not now. And in cases of delay in payment of land revenue, the local officers were levying penal interest on overdue instalments.

The PRESIDENT observed that those were all details which might well be represented to the Board directly.

Mr. ANNE GOWDA said that the penalties prescribed in clause 20 be reduced by one-half.

Mr. M. SEETHARAMA SASTRY suggested that the provisions of clause 18 would be helpful to the registered owners only if sufficient advances were made to the planters instead of their having to wait for the sale amounts for

long periods. He suggested that 50 per cent or 60 per cent of the expected realisation might be advanced in each case. He also suggested that local revenue officers should be instructed to go round and register the estates instead of expecting the estate-owners to go to them and offer themselves for registration. This, he said, would be very helpful to the planters some of whom were ignorant of the provisions of the law in question.

Mr. Kadidal MANJAPPA GOWDA mentioned that there was a feeling among the planters that, but for this legislation, they would have got better prices for their coffee, and that the Government had proposed this measure for the only reason that similar legislation had been passed in British India. As regards the price of coffee, he urged that no maximum but a minimum should be fixed. He said that clause 31, delegating all the powers vested in Government under this Act to the Board or Controller of Coffee, seemed to him to be not merely unnecessary but positively dangerous.

Before putting the principles of the Bill to vote, **the PRESIDENT** explained that it seemed to be the opinion of all who were coffee planters and had experience of coffee cultivation that the existing scheme should be continued for some time longer. Even originally, coffee planters, both European and Indian, were practically unanimous in asking for the introduction of this scheme. But for this unanimity of opinion neither the Government of India nor the Government of Mysore would have enacted a law like the one under discussion. The total output of coffee grown in India amounted to something like 15,000 tons. Before the war, the bulk of this output was exported to European countries. Owing to war conditions, export was not possible at the present time. If all that quantity were dumped on the local markets, naturally the prices would fall considerably. It was on that account that coffee growers had agreed to form an arrangement by which each producer was restricted to an internal quota. The excess over that quota was to be delivered to the Board for inclusion in what was known as a "surplus pool." All the planters were agreed that a scheme like that should be introduced. And from the experience gained of its working so far, it was evident that prices had actually improved, as a result of the scheme embodied in the bill before the House which, as an emergency law, was already in force.

The question whether that law should be kept in force only for one year or longer was still under the consideration of the Government of India. Recently the period of legislation had been extended till 1942 in response to the general wish of the planters. So far as Mysore was concerned, the Emergency Act would expire by December 1941; and as there would be no opportunity to consult the Assembly by then, this measure had been brought before the House at this session.

As regards the points raised by several members in the course of the debate, **the PRESIDENT** observed that many of them were matters of detail which could not be usefully gone into at the moment. Referring to the question of registration of owners of coffee estates he said that there was much benefit to be derived from registration. A suggestion had been made by certain members that groups of owners of gardens which were less than 10 acres in extent should also have the option of getting themselves registered. On this point it was necessary to ascertain the opinion of planters before a final decision was taken.

As regards prices, only the maximum limit could be defined according to the provisions of the Bill. It had been suggested that a minimum should also be prescribed. On that point he wished to say that the Government of India regarded it as of supreme importance that the interests of the consumers of coffee were not affected in any manner by the enactment. Hence, even the maximum would be fixed only if the prices showed a tendency to go very high and not in all cases.

It had been urged by some members that this legislation should not be placed on the statute-book permanently.

The President agreed with them on that point. The legislation was intended only to meet an emergency that had arisen and was likely to continue for some time. It was not a measure to be applied in ordinary circumstances. It might be in force only so long as the war lasted or for one or two years after the termination of the war. But, even though no one wanted that it should be a permanent measure, the fact remained that a time limit could not be prescribed for it just then. Moreover, it was unusual to lay down in a legislative measure that it would have the force of law only till the occurrence of a certain contingency. Besides, even if the war came to a close in the near future, it would take some time for the accounts to be closed and the concern to be wound up in the proper manner. It was not therefore desirable to fix a specific date at that stage. It was sufficient to have an understanding that Government would have power to repeal the Act partially or wholly, when circumstances demanded.

Another point referred to by some members related to differential scales of prices, *i.e.*, the grading of coffee according to quality. Among the experts themselves there was no complete unanimity of opinion on that point. But they had a definite data for differentiating between one grade of coffee and another. The also had regular assessors to fix the prices. Still, it would be very difficult to fix prices satisfatory to the suppliers concerned. That was the reason why representatives from different parts of South India had jointly prepared a table. If it was felt that even that table called for a revision, that might be undertaken at any time by the Board.

The next suggestion was concerned with the grant of advances to the planters. There were practical difficulties in accepting that suggestion. An advance could be obtained by hypothecating the crop. In the British Indian Act, however, there was provision for issue of loans. But as all the crop could not be sold locally, it would be difficult to get the bankers to advance money on the security of the crop. To get over this difficulty, the Coffee Control Board had moved the Government of India to place at its disposal a sum of Rs. 15 lakhs for the purpose of granting such advances to the planters, the amounts being recoverable in due course. That question was now before the Government of India.

Mr. Puttananjappa had expressed his apprehension that if the pooled coffee were to deteriorate in storage, there was no provision to compensate the planters. In this connection the President reminded the House that the whole scheme had been conceived in a truly co-operative spirit and was in the nature of a distress relief. Planters should not therefore expect to make even larger profits under this scheme than they were doing in normal times. After all, they should bear in mind the history of this special legislation, and how the present unfortunate situation had developed. Foreign markets were practically closed to them: and if the internal market too was unrestricted, the position would be so much the worse for them. It was to regulate and control such a situation that the bill under discussion had been proposed. For these reasons, the President hoped that every one interested in the coffee industry would agree to the principles of the bill. It would not be fair or correct to say that the bill was intended to help the European planters only. It merely registered the wishes of all sections of the industry.

The principles of the bill were then put to vote and adopted unanimously.

Bill to amend the Mysore Debt Conciliation Act, 1937.

The CHIEF SECRETARY to GOVERNMENT (Rajasevaprasakta B. T. Kesavaiengar) explained the principles of the bill as follows:—

The scheme of Debt Conciliation was introduced into six taluks with effect from July 1938 and the reports of the working of the scheme showed that the results were not appreciable. Various defects and omissions in the scheme were also brought to the notice of Government and several suggestions for the

improvement of the law in the matter were made in the Representative Assembly. In these circumstances, Government placed Mr. B. K. Ramakrishnaiya, M.A., LL.B., on special duty to examine the working of the scheme in all its aspects and submit a report indicating the defects, if any, and suggesting the lines on which action might be taken, so that the object of the scheme might be realised in a fuller measure.

The Special Officer submitted an exhaustive report on which Government passed orders in Government Order No. 7219-68—L.R. 323-39-42, dated the 24th April 1941. With a view to implement the decisions arrived at by Government in the above order, it is proposed to amend the Debt Conciliation Act on the lines indicated in the bill hereto appended.

Among the amendments proposed, the following are the more important:—

1. Clause 2 of the bill provides for taking out of the purview of the Act, claims in respect of maintenance.

2. Clauses 5 and 6 of the bill provide for safeguards against indifference on the part of debtors in prosecuting cases before the Debt Conciliation Boards, against the abuse by unscrupulous debtors of the provisions of section 26 and the right to file successive applications and also against attempts made by debtors to defraud creditors by alienating their properties before applying to the Debt Conciliation Boards for relief.

3. In clause 7 of the bill, provision is made for strengthening the element of compulsion by providing that when an agreement is arrived at between the debtor and the creditors to whom more than 50 per cent of the debts are due, the Board may pass an order that the other creditors also should accept an offer made by the debtor if in the opinion of the Board such offer is a fair one.

4. In clause 8, a new section is proposed to be added providing for secured creditors retaining their security in respect of the amounts due to them, although they may have agreed to a settlement.

The other amendments are of a minor character.

Amendment.

Mr. K. CHENGALARAYA REDDY moved that the statement of principles be amended as below:—

"That Clause 7 of the bill be amended for introducing the principle of compulsion in the conciliation of debts by making the decision of the Board binding on all the creditors whether they agree to the same or not."

In moving this, he said that there were one or two matters to be explained at some length in this connection. This was a matter of direct concern to a large section of the public. In 1934 the Agricultural Distress Relief Committee had calculated that the extent of indebtedness in Mysore was about Rs. 35 crores. Indebtedness, if at all, should have increased and not decreased. No doubt the Law Minister had stated at the recent Co-operative Conference that the extent of indebtedness might be about Rs. 30 crores. But the speaker was certain that if an economic enquiry was held at the present time, the indebtedness would be found to be between Rs. 45 crores and Rs. 50 crores. In other words, the average indebtedness would work out to Rs. 60 to Rs. 65 per head. Taking it that an average family consisted of five members, its indebtedness might be taken to be between Rs. 300 and Rs. 350. The assets of the family would be on the average about 5 acres of land worth about Rs. 300. These figures were enough to show the vastness of the problem of indebtedness in the State. It was in view of that, the Government had examined the question of debt conciliation in 1935 and passed the Debt Conciliation Act in 1937. To ascertain the effect of its working, a Special Officer had been appointed recently. He had gone into the question in great detail and with considerable efficiency, submitted a report which was both elaborate and brilliant. Debt Conciliation Boards had worked in six places for over 18 months and yet had not been able to extend substantial relief to the indebted agriculturist. Even though cases involving several lakhs of rupees had come up before

them, the Debt Conciliation Boards had conciliated debts amounting only to Rs. 55,000, the amount payable having been reduced to Rs. 35,000. The effect of conciliation was thus only Rs. 20,000. One would easily grant that this sum of Rs. 20,000 was nothing compared to the total indebtedness of Rs. 45 crores. In this process of conciliation, the expenditure incurred by the Government was Rs. 4,500. These figures showed what little benefit the action taken by Government to solve this vast problem had secured. The reason why better results were not achieved was that the Boards were not meeting frequently enough. They met only on a few days in the year as explained in the Special Officer's report itself. Another reason for such poor results was that even though a decision or settlement was reached in conciliating a debt, no satisfactory machinery had been provided for settling the account. It was worth while noting that the system of conciliating debts was working very efficiently in the Central Provinces. The Debt Conciliation Boards in that Province had been brought into existence only in 1934 or 1935. But in a short time the Government of that Province realised that so long as debt conciliation was placed on a voluntary basis, useful results could not be secured and that the element of compulsion was absolutely necessary. For that reason they had introduced a special legislation in 1938. In that connection, they stated that the Debt Conciliation Act could never secure the object in view unless the parties could be compelled to come to a settlement. Similarly, in Madras, it was found that compulsion was very necessary in connection with the Madras Agriculturists' Relief Act. The Bombay Government too had enforced the Bombay Agricultural Debt Relief Act in 1938. Similar Boards were actively at work in Cochin also. In all these provinces it was found that even though the Chairman and the members of the Boards exerted themselves to their fullest capacity, in the opinion of the Governments concerned, the extent of time and labour involved in conciliating debts had not been commensurate with the results achieved. So they all came to the conclusion that unless compulsion was provided for, there was no use merely organising Conciliation Boards. A similar conclusion was arrived at by the Travancore Government also. So far as Mysore was concerned, Boards were organised no doubt; but they could not be proud of the results achieved by them, because compulsion was not enforced.

The question now for consideration therefore was whether compulsion need be introduced in future at least and if so how far. According to the law already in force, an order of conciliation could be passed only if both the parties agreed. Otherwise, even sections 19 and 20 could not give any relief to the debtor. According to the amendment proposed by the Government, they could compel creditors to accept an award in all cases in which either 50 per cent of the creditors or creditors who had advanced 50 per cent of the total loans in a particular case agreed to conciliation even if other creditors did not agree. Even this would not give sufficient relief. If the Government were particular that some tangible results should be secured, they would have to organise at least 70 or 80 Boards throughout the State. They should also appoint proper personnel. The question whether judicial officers alone should be Chairmen of the Boards or executive officers could be entrusted with that responsibility was also worthy of special consideration. In either case, one point was clear that the element of compulsion must be introduced without delay.

The PRESIDENT asked the member to explain what exactly he meant by saying that the element of compulsion should be introduced.

Mr. K. CHENGALARAYA REDDY replied that what he meant was that Conciliation Boards with satisfactory personnel should be constituted in different parts of the State with judicial officers as Chairmen thereof and that whatever proportion of the debts were decided to be paid, both the debtors and the creditors should be compelled to accept those decisions. He also meant that a satisfactory agency should be

created for enforcing the award once given in each case.

The PRESIDENT enquired whether it was the member's idea that even if only one of the creditors agreed, all other creditors should be compelled to agree to a particular award.

Mr. M. N. JOIS replied that that was what was meant.

Mr. K. CHENGALARAYA REDDY explained that he would suggest that proper evidence should be collected and accounts from all the creditors as well as from the debtors should be secured before the award was given. But once an award was given, it should be accepted by all the concerned parties as was being done in the case of arbitrations usually held in the country parts.

The member also explained that if the element of compulsion was agreed to be introduced, the Debt Conciliation Act would give place to a properly conceived Debt Relief Act. The principle of conciliation as a means of relief to the heavily indebted raiyat had been accepted, and full relief could not be given by having Debt Relief Acts only. Even if the element of compulsion was introduced, there was need for introducing other Acts to give further relief.

The speaker was aware that a number of objections might be raised against his amendment. Anticipating only one such objection, he stated that it might be argued that the interests of money-lenders would be prejudiced, that freedom of contract would be denied to the parties, that credit in general would suffer and persons in need might be unable to raise loans any longer and that credit structure itself would crumble, the debtors themselves being inconvenienced more than being helped. By way of reply to objections like that, he would say that considering the extent of suffering of the poor raiyat from the effects of heavy indebtedness and the extent to which he had been disabled from carrying on agricultural operations due to the effects of indebtedness, it looked as though nothing worse was going to happen if no more credit facilities were open to him. As regards freedom of contract, he would like to say that if the Government organised some machinery through which they could pay the conciliated amounts to the creditors, most of the creditors themselves would not be opposed to an arrangement like that. After all, no great principle was going to be sacrificed by introducing compulsion as suggested, but even if there was any such thing it was worth while denying parties freedom of contract if larger interests of the public were going to be secured by doing so. If the effect or working of Debt Conciliation Boards so far could be likened to a drop in the ocean, the effect of the amendment proposed by the Government would perhaps be like two drops. With the amendment now proposed by the member it might be three or four drops. Much more would still remain to be done, but for the present, one might have reason to rest content with three or four drops rather than with only one. He therefore appealed to the House to accept the amendment.

Mr. T. S. RAJAGOPALA IYENGAR seconded the amendment. He said that with a view to helping the indebted agriculturist the Government had passed the Agriculturists' Relief Act, the Debt Conciliation Act, etc. They had also established Land Mortgage Banks and Co-operative Societies and were giving takavi and other loans. Government had proposed certain amendments as stated in the statement of principles of the bill with the idea of giving some more relief to the raiyat who was in difficulties. The object of the amendment proposed by Mr. Chengalaraya Reddy was that something still further should be done. Even when the Debt Conciliation Act was first introduced, representatives of the people had urged that an element of compulsion should be provided for. Government stated that that would amount to converting the Debt Conciliation Act into a Debt Relief Act or Debt Arbitration Act and that the term "conciliation" would go without meaning if compulsion was introduced, because conciliation and compulsion could not go together. But in the amendments mentioned in the statement of principles the Government themselves granted that unless

there was compulsion in some shape or another, no useful results could be achieved. In other words, Government had gone back upon their own previous argument. But having recognised the need for compulsion, they proposed introducing it only to some little extent. That would not help the raiyats very much. As mentioned in the Special Officer's Report, 620 cases had gone up before Debt Conciliation Boards and conciliation had been effected only in 64 cases. If only compulsion had been provided for, conciliation could have been effected in all the 620 cases. Even now if the generous intentions of the Government should be secured, compulsion was altogether necessary. It existed in many other provinces as explained by the mover already. And there was every reason to introduce it in Mysore also.

The MINISTER for EDUCATION (Mr. J. Mahomed Imam) observed that even in the Provinces and States mentioned by the mover, compulsion had been provided for only to some extent and not either fully or invariably.

Mr. S. N. M. RAZVI said that the mover and his supporters perhaps meant to suggest that Mysore being a model State should introduce compulsion to the fullest possible extent and give a lead to other Provinces and States.

At this stage, the Assembly rose for lunch and reassembled at 3-30 p.m.

Mr. S. C. MALLIAH opposed the amendment. He said that he did not agree with Mr. K. Chengalaraya Reddy that compulsion was the only way of liquidating indebtedness of raiyats. It might have been so if the scheme of debt conciliation had been applied to all parts of the State. But now Government had introduced the scheme only in certain special areas and if in such areas compulsion was introduced, instead of securing the object in view the difficulties of the raiyats would increase manifold. Besides, the examples quoted by the mover, of the States and Provinces where similar Acts had been in force were not parallels to conditions in Mysore. The arrangement in those States and Provinces was under an Act of a different nature. The nature of the Government that had enforced the scheme there was also different, namely, the Congress government. It was not necessary to enter into a discussion of the effect of the reforms introduced by the Congress governments. There were criticisms already in several parts of the country. The policy of those governments was something like robbing Peter to pay Paul. Nobody had a right to say that creditors who had advanced certain moneys should receive only a part thereof and forgo all the rest. After all, creditors had lent their money in good faith. They were entitled to recover all such moneys. If elected representatives came to power in Mysore also and with the co-operation of their electors they wanted to introduce any such scheme, they were perfectly at liberty to try the experiment in course of time. But such a state of circumstances did not exist in Mysore just at present. He also did not consider that it would be lawful or right or equitable to say that moneys borrowed for *bona fide* purposes should not be repaid. The Government had done all that they legitimately could. For example, they had defined the maximum rates of interest that could be charged. If the debtor had not money enough to pay, Government had provided enough concessions for him. It would not be justifiable to seek to give any more relief to debtors. No doubt conciliation was a known process. But then, it must be effected only by mutual agreement. Simply because, the legislature had power to make laws and the Government had power to enforce them, members should not think of doing unreasonable things. Moneylending was a profession with many people just like Government service was a profession to certain people. The legislature must consider how far that profession would be dislocated by amendments of the kind proposed by Mr. K. Chengalaraya Reddy. The object that poor people must be helped while on the verge of ruination was

good in itself. But that object was not going to be achieved by amending the law as proposed. Dislocation of the money-lending business and lot of dissatisfaction on the part of creditors all over the State would be the only result of any such attempt.

Mr. Bhupalam R. CHANDRASEKHARAYYA observed that Mr. Chengalaraya Reddy had explained all aspects of his case at sufficient length in the course of his speech. Before listening to that speech, the speaker had thought that the amendment sought to deal with debt settlement more than with debt conciliation. The mover had stated that considerable difficulty had been caused to agriculturists on account of heavy indebtedness and that therefore conciliation boards should be organised and creditors compelled to come to settlement with their debtors. In that connection, he had made very valuable suggestions. Perhaps, he meant that some co-operative societies or banks should take over the responsibility of actually paying the amounts to the creditors on the basis of the awards in the several cases. If that was so, the amendment would go very very far. For securing a purpose like that, it was advisable for Mr. Chengalaraya Reddy to bring forward a new Bill altogether. In the alternative, if the Government also agreed to the principle of the amendment, they could themselves bring forward a consolidated Act at the following session of the Assembly, so that members could express their opinions thereon. He was not prepared to say that members would be opposed to such a thing being attempted. It was true that prohibitive rates of interest were being levied by creditors and Government had certainly to put an end to such a state of affairs as soon as possible. But just at present members were not in a position to appreciate all aspects of the amendment before the House. The speaker did not agree with Mr. Malliah in the views that he had expressed. On these grounds, it would be well if Mr. Chengalaraya Reddy took back his present amendment and brought forward a fresh bill at the following session.

Mr. S. RAMAPPA was glad that even the Government were anxious, like Mr. Chengalaraya Reddy, to help the rayats who were heavily indebted. But, it was clear that the amendment of Mr. Chengalaraya Reddy would not secure the object in view. The bill before the House referred to conciliation by *mutual understanding*. The importing of an element of compulsion would alter the very meaning, purpose and nature of the bill because it proceeded on the assumption that settlement by mutual understanding should be effected. Even the amendment already proposed by the Government that if 50 per cent of the creditors agreed to conciliate debts due by a particular debtor, the other fifty per cent of creditors should be compelled to come to a similar understanding also, went beyond the regular scope of an Act of this nature and if compulsion was throughout contemplated, the word "conciliation" would go without any meaning.

Secondly, as had been observed by the Education Minister, compulsion had not been enforced in all cases. To whatever extent relief could be given, it was already being given by the Government. That being so, compulsion was not called for. For this reason, and pending a study of the results of the amendments already proposed by the mover, he wanted that Mr. Chengalaraya Reddy's amendment be not accepted by the House.

Mr. M. SHANKARALINGE GOWDA said that he was unable to agree to the views expressed by Mr. Malliah. He also did not agree with what Mr. Bhupalam Chandrasekharayya had stated in spite of the very intelligent way in which he had put it. He was wholeheartedly in support of Mr. Chengalaraya Reddy's amendment. Conciliation Boards were not asking creditors to forgo any part of the principal. All that they exhorted creditors to do was to forgo the interest due on such principal. Secondly, the debtor would be saved expenses like stampage. This was the object also of the Debt Conciliation scheme. This object was being frustrated by the present system of executive officers such as, Revenue

Sub-Division Officers, being asked to hold arbitration courts. They rarely stayed in places in rural parts to meet both the parties. They were not devoting sufficient time to that work and even in the few cases in which they were able to make awards, they were helpless to enforce their own awards, if either of the parties refused to abide by them. It was for this reason that Mr. Chengalaraya Reddy wanted to provide that where a certain number of creditors agreed to abide by the arbitration, the other creditors should be compelled to do so. It was not the object of the amendment to prejudice the interests of the creditors. The speaker was unable to understand why Mr. Malliah should have requested the mover to withdraw the amendment. The amendment made a bold but unobjectionable and well meant suggestion and deserved support at the hands of all members. After all, it did not propose that any part of the principal should be forgone by the creditors.

Mr. J. MAHOMED IMAM remarked that there was nothing in the amendment to prevent even that being done.

Mr. M. SHANKARALINGE GOWDA replied that in that case nobody would support the proposal.

Mr. N. RAMA RAO opposed the amendment. Two of the earlier speakers had already said what he wanted to say, namely that this amendment which sought to introduce an element of compulsion hardly fitted in in a matter of which the very essence was conciliation.

Mr. K. CHENGALARAYA REDDY raised to a point of order. Mr. Rama Rao seemed to object that this question could not be brought up at all as an amendment. The President had admitted the amendment as being proper and he would like to know whether it would be in order for any member to say that this could not be treated as an amendment.

The PRESIDENT observed that Mr. Rama Rao did not seem to suggest that the amendment should be disallowed. What he probably wanted to say was that the amendment went far beyond the main purpose of the bill, so much so that it was on the verge of being not a proper amendment. Nobody had objected to the amendment as such. But, certain members were only opposing it and they were entitled to do so.

Mr. N. RAMA RAO continuing stated that the amendment was on the verge of amounting to a negation of the principle of the Bill itself. Conciliation was a very large principle. All that Mr. Chengalaraya Reddy said about the poverty of the people and their difficulties on account of indebtedness, etc., needed the support of almost the entire House. There was no difference of opinion between the speaker and Mr. Chengalaraya Reddy that relief should be given to poor people. But, in trying to give them relief, the House should carefully consider what the effect of its actions would be. If creditors were compelled to forgo their dues, it was the credit facilities open to the debtors that would suffer. No doubt, the mover had anticipated that objection but had not succeeded in giving a satisfactory answer to it. Thus the objection remained. The fact of the matter was that the agriculturist would go on requiring money now and then. For example, in connection with the Coffee Marketing Bill, it was found that even the large-scale agriculturists were reported to require loans at particular seasons of the year. When big planters and agriculturists stood in need of such accommodation, it went without saying that the poorer agriculturists would not do without adequate credit facilities. Mr. Chengalaraya Reddy no doubt had referred to the findings of responsible people in the Central Provinces and some other parts of the country. But Sjt. Deshpande had told the country that agriculturists had been unable to get loans after this law was passed. In Bombay, it was not called Debt Conciliation scheme at all. It was called Debt Relief Act and in that Presidency it was said creditors used too much intelligence and obtained bonds for more than the amounts lent, and they got sale-deeds executed in their favour whilst the transactions involved only mere hypothecation. It was thus clear that no creditor was prepared to forgo his hard-earned money. If devices like

that were resorted to by the creditors, not only would the purpose of the amendment be defeated but the raiyats, for whose benefit the amendment was proposed, would be ill-served by it. In short, the amendment would lead to serious consequences.

Another point for consideration was whether compulsion was really called for. Mr. Chengalaraya Reddy had made one remark that if the agriculturist could raise no more loans, it was going to be so much the better for him. If as already said, the agriculturist really needed accommodation, it was certainly not good that he should be prevented from getting such accommodation It would be like denying the patient the benefit of medical treatment. If the raiyat needed loans at all, the legislature and the Government must make cheap credit available to him. Unfortunately, such credit was not available to him now. Generally, most of the indebted raiyats were owners of the agricultural lands. But according to the law of the land, all agricultural land ultimately was owned by the Government, so that it was also the responsibility of the Government to see that all cultivable lands were actually cultivated This again amounted to saying that the responsibility was on the Government to see that the raiyat got cheap credit at all seasons under reasonable conditions. When approached from that essential consideration, Government must say whether creditors could be compelled to take over liabilities and forgo the privileges. Personally he felt that it could not be done and should not be done.

The remarks made by some of the previous speakers gave rise to an impression that all creditors were trying to ruin poor, ignorant and innocent raiyats. But in truth, the creditor in most cases was a philanthropist, a great servant and a benefactor of society, fulfilling a great economic purpose. Would it, he asked, be justifiable to say that such a useful limb of the social organisation should be ill-served ? The only result of attempting to do such a thing would be denying the help which the House wanted to give to the raiyat.

The speaker had seen one of the reports by the Royal Commission in which they had observed with reference to the question of indebtedness that it was a very big problem. On the one hand, the raiyat stood in need of help and on the other, no disservice should be done to the creditor. Without prejudice both to the debtor and the creditor, the Government must see how best the just dues were made recoverable by the creditors. If most of the creditors agreed to conciliation, there would be nothing wrong in compelling the remaining few to follow suit. This exactly was the principle underlying this amendment. But, even on this basis, an amendment like the one under discussion could not be put in, in a 'conciliation' Act. Even as it stood the law did not appear to be quite satisfactory to the speaker, because, if in a particular case the creditor was not reasonable and did not agree to abide by the terms of the award, the authority giving the award was unable to enforce it. Therefore, it might be worth while considering the alteration of the law slightly so that in case either 40 per cent of the number of creditors agreed or the amount agreed to be conciliated was more than 50 per cent of the total involved, then the remainig creditors might be compelled to come to a settlement This, he thought, would be a better way of achieving the object in view.

Mr. G. S. SUBBA RAO said that he had been intimately connected with the Debt Conciliation Board which was working for about three years now at his place (Madhugiri). He said that this was a question to be considered with a great sense of responsibility. He was aware of a number of cases in which 50 per cent of the creditors had combined to see that petitions from debtors were rejected. The special officer recently appointed by Government was personally aware of cases like that. The Debt Relief Committees appointed in Madras, Bombay, Travancore, etc., had also reported that similar things were happening in those States and Provinces also. The object of the Government could be secured only by the amendment now proposed by Mr. K.

Chengalaraya Reddy. Otherwise any number of petitions might be submitted but Conciliation Boards would be powerless to enforce the awards even if they were given. The only result of giving awards which were not enforceable would be to delay disputes in civil courts. He was therefore definitely in favour of the amendment being accepted by the House. There was nothing objectionable in it. All that it suggested was that if the 50 per cent limit now proposed in the Government amendment was taken away and if in the opinion of the board a certain offer was considered reasonable and if the Conciliation Board came to a decision, then such a decision would be binding on both the parties. That was a very good object, and if it was not agreed to, the entire scheme of debt conciliation was not going to help many agriculturists in need.

Mr. KHAJI SYED YUSUF SAHIB also supported the amendment. Those who had opposed it had argued that an element of compulsion would be inconsistent with the scheme of conciliation. But it was a common feature that in every piece of legislation enacted, there was always some means of enforcing the decision. Otherwise no law could be made effective. Compulsion in this connection was only a means of giving effect to the award for the passing of which there was provision so that opposition could not stand. It was then argued that if compulsion was introduced, credit would suffer. Already the raiyat was groaning under heavy debts and unless some relief was given forthwith the raiyat could not recover his balance and stand on his own legs.

Mr. JATHARE NAIK also supported the amendment.

Mr. C. SUBBANNA NAIK said that the Agriculturists Relief Act had given some relief to indebted agriculturists. The Debt Conciliation Act was intended to give some further relief to them. But at present Conciliation Boards which could be appointed under the second of the Acts referred to, could make awards but not enforce them. Consequently the Act could not give the raiyat that amount of relief which it was intended to give. In malnad particularly, agriculturist debtors were finding that even if they sold away their lands, they might not be able to discharge all their debts. It was therefore absolutely necessary to devise some effective means whereby debts could be conciliated. An element of compulsion was thus called for. And if it was not provided, there was little use in having the Debt Conciliation Act in force at all.

Mr. M. SITHARAMA SASTRY also supported the amendment. But in doing so, he brought to notice that in Koppa taluk there were instances of debtors executing fresh documents in favour of their creditors undertaking to pay full amounts due and then making the creditors agree to the older debts being conciliated. If such clandestine agreements between the creditors and debtors were made possible, the Conciliation Act could not be of much help to anybody. As a matter of fact, debts had not been conciliated effectively even in a single case in the said taluk.

He agreed that by enforcing the proposed amendment cheap credit would no longer be available to the debtors. Once debt due to a particular creditor was conciliated, the debtor naturally could not expect any further loans to be given by that creditor. In this view the Government and the Co-operative Department must together devise means to make cheap credit available to agriculturists.

He did not believe that any special facilities need be created to enable creditors to recover their dues. It was necessary to remember that credit was available not merely because the borrowers needed money, but also because the creditors were willing to lend. The latter would be eager to lend moneys to their own best possible advantage. So having lent moneys it was the look-out of the money-lenders to find suitable ways to recover them.

Lokasevaniratha Bale SIDDALINGA SETTI opposed the amendment. So long as the creditor had advanced a certain sum of money, the speaker thought that Conciliation Boards had no business to say that only part of that money should be recovered from the debtor. And even if a Conciliation Board gave an award

to that effect, it should be open to the creditor, if he was not prepared to accept the award, to fight out his case in a Civil Court. On account of Government making unjust laws like this, needy agriculturists to-day were not able to raise loans as freely as ten years ago. The number of documents registered in Sub-Registrar's office was steadily going down showing that transactions now were very few. Under the older system the raiyats were able to raise loans as freely as they needed and by merely paying the interest accruing on the loans, they could continue to enjoy their lands as accredited owners. But now on account of certain recent enactments, the raiyats had necessarily to mortgage their lands even for small loans they needed and if they were unable to discharge their loans, they naturally had to sell the lands away in order to clear the debts. But even the privilege of raising loans on security of lands would go if the proposed amendment was enforced. In other words, the raiyats were not going to be helped by the amendment.

Mr. B. T. KESAVAIENGAR observed that as a result of the discussions which had taken place so far, a doubt had arisen whether at all the amendment under discussion would naturally fit in with the relevant Act. It looked to him that the amendment was opposed to the very principle of the Bill to which it related.

Mr. K. CHENGALARAYA REDDY asked whether the Chief Secretary to Government was giving a ruling.

The PRESIDENT replied in the negative. He explained that the Chief Secretary's point was that the Bill, as it stood, went as far as it was meant to go and therefore the amendment was quite unnecessary.

Mr. M. N. JOIS pointed out that there was difference of opinion even with regard to the amendment proposed by Government themselves that in case 50 per cent of the creditors agreed to conciliation, the remaining 50 per cent also should be compelled to agree.

The PRESIDENT stated that Government had considered all aspects of the case in preparing the Bill. They had no idea of going any further than was proposed at present. Apart from this, Government did not think it necessary to make any elaborate statement on the question at issue since different opinions had already been expressed at sufficient length.

Mr. K. CHENGALARAYA REDDY agreed that the question had been discussed sufficiently. But he wished to reply to certain points which had arisen in the course of the discussion. The first point was whether the amendment would or would not fit in with the law to which it related.

The PRESIDENT suggested that Mr. Chengalaraya Reddy might leave the point at that because he had not ruled it out.

Mr. K. CHENGALARAYA REDDY however said that an objection like that had been raised by more than one member and therefore wanted to say that at that rate even the amendment proposed by Government themselves can be regarded as being opposed to the very principle of the Bill. The Government amendment was to the effect that if 50 per cent of the creditors agreed to conciliation, the remaining creditors also could be compelled to do so. If this was permissible, the speaker was unable to understand how his amendment was not equally permissible. The principle was the same in either case. Only the question of the extent to which compulsion might be applied was open to discussion. The question of the scope of the amendment now proposed need not arise at all.

He was equally unable to understand the suggestion of one or two of other members that the amendment was not out of order. but all the same it might be proposed as an independent Bill. After all. there was not much in name. So long as it was permissible, the amendment might as well be considered in connection with the present Bill itself.

Other objections against the amendments were that the relations between the creditors and debtors would get strained if creditors were sought to be compelled to agree to conciliation, that the interests of the debtors would

be adversely affected, that credit would no longer be available to needy raiyats, etc. Certainly it was not his intention that the interests of the raiyats should be prejudiced nor was it his object that the interests of the creditors should in any way be sacrificed in the interests of debtors. Members might remember that similar unwarranted apprehensions had been expressed when Government first proposed the Agriculturists Relief Bill, the Debt Conciliation Bill, etc. But Government had been wise enough to proceed with those enactments. They would do well to be equally bold in connection with the present measure also.

The speaker was glad to find that the House was generally in favour of the amendment and he was particularly delighted to see that members of the Muslim League Party also seemed to be in favour of the amendment. However if the Government could promise the Assembly that they would bring up a separate Bill at a following session of the House, he would not press the amendment in the meanwhile. But if any such hope could not be held out, he would have to press the amendment. After all there was nothing drastic that was sought to be provided even under the amendment. In Bengal, for example, an element of compulsion would come in the moment 40 per cent of the creditors agreed to conciliation, whereas in Mysore the minimum limit proposed was 50 per cent and the law would thus favour the creditors here more than in Bengal. But this limit of 50 per cent was not meant to apply for all time. It would have to be brought down to 40 per cent in the near future and later on by slow degrees, to 30 per cent, 20 per cent and 10 per cent and so on.

Proceeding, he said that Mr. S. C. Malliah no doubt seemed to have opposed the amendment in question. The speaker had already stated that even with the amendment the law would not go far enough to help the raiyat, but it would be of no use whatever if the amendment was not embodied. Members of the Congress party were definitely of opinion that such a law need not remain on the statute book at all. In fact, they originally proposed to oppose the Bill itself on that ground, but now Mr. S. C. Malliah had said that even with the amendment proposed by Government, the Bill would remain without much practical benefit. Thus in effect Mr. Malliah had suppported the speaker's amendment rather than opposing it.

The Government had proposed the amendment with a view to help the raiyat. The speaker's amendment was also meant to serve the same purpose. This being so, the members would not be doing the right thing to the raiyats if they opposed either the Government amendment or the speaker's.

The amendment was put to vote at this stage and passed, 183 members voting for *and 50* against.

Discussion on the Principles of the Bill—*contd.*

Mr. K. SUBBIAH SETTY stated that generally revenue officers were appointed Chairmen of Debt Conciliation Boards and suggested that it would be better to appoint officers of the Judicial Department instead. The defect of the present system was that revenue officers would not always have the necessary time to devote for debt conciliation work because they had several other things to attend to. If judicial officers were appointed instead, they would post cases for regular hearing and do work in a more thorough manner.

. . . . . .

The PRESIDENT reminded the member that the Bill did not seek to deal with the composition of the Board or the qualifications of the members.

Mr. K. SUBBIAH SETTY then stated that once an application was disposed of, the Conciliation Board would not entertain the second application within 2 years to follow. It was therefore necessary that each case was gone into thoroughly and disposed of on merits. Otherwise it was desirable to permit the parties to put in applications for consideration even before the expiry of the 2-year limit now prescribed.

The PRESIDENT observed that those were matters of detail which could be considered at a later stage.

Mr. B. R. PUTTANANJAPPA suggested that some time limit should be prescribed within which the Revenue Department should collect decreed debts though in easy instalments. This omission he said was common to the original Bill as well as to the amending Bill.

The PRESIDENT observed that even that suggestion went beyond the scope of the statement of principles.

Mr. M. N. JOIS observed that it was well that such things were gone into at this stage so that effective means might be devised for enforcing the award as soon as it was given.

The PRESIDENT expressed a doubt whether actual recoveries would be so easy.

Mr. M. N. JOIS suggested that there need be no difficulty if the Land Mortgage Bank could advance loans to the extent necessary in each case.

The PRESIDENT replied that it would certainly not be practicable for Land Mortgage Banks to advance loans to the extent required.

Mr. B. NARAYANASWAMY also urged that judicial officers would make better Chairmen of Conciliation Boards than revenue officers. This suggestion would be particularly appreciated in connection with the proposed amendment of Section 9 of the Act to the effect that the Board would dismiss applications made under sub-section (1) of Section 4 if they were satisfied that debtors had within 180 days previous to the date of the application made by them transferred any of their properties with intent to defraud creditors. Even the review provided for under Section 19 of the original Act would have to be done with reference to the judicial standards. This responsibility also could be discharged by judicial officers better than by revenue officers.

The PRESIDENT again reminded the member that those were all details which could not be considered in connection with the principles. The question whether the Chairman of a Conciliation Board should be a judicial or a revenue officer need not arise at all at that stage. He however promised that the suggestion made by the member would be noted for consideration in due course.

Mr. T. S. RAJAGOPALA IYENGAR said that under the proposed amendment to Clause (*e*) of Section 2 priority was sought to be given to the amounts due to Government and for dues to co-operative societies or even liabilities in respect of maintenance whether under decree of a court or otherwise. He was not in favour of such preference being created.

The PRESIDENT again stated that it was not open to the members to cover the details of legislation while purporting to discuss only its principles.

Mr. K. CHENGALARAYA REDDY pointed out that the only object of the members in referring to these points was that while amending the original Act, all necessary amendments should be thought of once for all.

The PRESIDENT replied that the amendments proposed by Government were those which had been effected in similar enactments elsewhere. If members wished to suggest any other amendments, they might as well send up to Government a memorandum of such amendments so that Government could examine them on merits.

Mr. Bhupalam R. CHANDRASEKHARAYYA then made a general request to the effect that Government be pleased to extend the application of the debt conciliation scheme to all parts of the State instead of restricting it to only particular taluks.

At this stage, the principles of the bill as amended were put to vote and declared passed unanimously.

Mr. K. CHENGALARAYA REDDY interjected that the principles of the bill as amended were unanimously passed.

The PRESIDENT stated that the principles of the bill as amended by a majority of the members were unanimously passed.

Mr. K. HANUMANTHIAH observed that as the amendment was passed by

two-thirds majority, it was fully effective.

Need for Better System of Counting of Votes in the Assembly.

Mr. K. CHENGALARAYA REDDY brought to notice in this connection that proper arrangements must be made for the counting of votes and a definite procedure laid down in the matter. The Assembly consisted of more than 300 members and Government too might have their practical difficulties in regard to counting. Naturally members might have their own doubts on particular occasions with regard to the number of votes. He stated that in a particular case the result of division had been announced as 124 votes *for* and 117 *against*. Some of the members honestly felt that the number of votes could not have been more than 60 or 70. When a similar question arose in the Legislative Council recently, the President had given a ruling that in future a particular procedure would be followed. The speaker suggested that similar action should be taken in the Assembly also even if counting took some more time on each occasion. If necessary, even tellers might be appointed. He also added that after announcing the result of the division the members must have some little time for demanding a poll.

The PRESIDENT stated that even now time for challenging a division was being allowed.

Mr. K. CHENGALARAYA REDDY represented that the time given was not enough. In other Houses of Legislature more satisfactory arrangements had been made and he requested the President to do likewise in this House also.

The PRESIDENT promised to consider the suggestion.

Revised Order of Business.

The PRESIDENT then wanted to know the sense of the House with regard to the remaining bills and suggested that if the House agreed, representations would be taken up for three days commencing with the following day.

After some discussion, it was agreed that representations be taken up for 4 days and the position reviewed later.

Mr. M. ABDUL AZIZ suggested that even if the remaining Government business was not transacted, the non-official bill must be discussed and passed.

Mr. T. M. KHAN supported the suggestion and added that the bill referred to was very important.

The PRESIDENT stated that even with regard to the Government Bills, such of them as were not controversial might be taken up at once.

Mr. S. N. M. RAZVI agreed in this view and suggested that all the remaining bills except Nos. 19 to 22 be taken up.

Bill to amend the Cotton Ginning and Pressing Factories Act, 1929.

The SECRETARY to GOVERNMENT, DEVELOPMENT DEPARTMENT (Mr. V. Vedavyasacharya) explained the principles of the Bill as follows:—

The Cotton Ginning and Pressing Factories Act was passed in 1929 on the lines of the corresponding British Indian Act of 1925. In British India, as a result of the recommendations of the Indian Central Cotton Committee, certain amendments were made in 1939. The present bill seeks to incorporate them in the Mysore Act.

The amendment proposed to Section 9 is intended to meet complaints that in certain cotton ginning and pressing factories, the construction of which was commenced or completed before the Act came into operation, additions or alterations are made which are not in accordance with the prescribed specifications. By this amendment, the factory owner making alterations or additions to his factory has to conform to the requirements of sub-section (1) of Section 9.

The amendment to Section 13 is intended to remove the great hardship caused to the trade by a rigid application of Section 13 which confers on a person the power to reject a bale tendered in fulfilment of contract if it is not marked as required by law. Under this section, even minor technical faults in marking

have been made a ground for rejection of the bale. By the present amendment, only bales not bearing the special mark prescribed for a factory under Section 4 can be rejected.

The principles were put to vote and passed unanimously.

Bill to further amend the Workmen's Compensation Act, 1928.

The SECRETARY to GOVERNMENT, DEVELOPMENT DEPARTMENT (Mr. V. Vedavyasacharya) explained the principles of the Bill as follows :—

The Mysore Workmen's Compensation Act, 1928, has been modelled very largely on the corresponding British Indian Act of 1923. Amendments made to the British Indian Act, from time to time, have been considered and, where necessary, adopted in Mysore.

In 1937, 1938 and 1939 a number of amendments was made in British India. The present bill seeks to incorporate these amendments in the Mysore Act. These amendments are intended to deal with a number of ambiguities and minor defects which have come to light in recent years in the course of the administration of the Act.

The more important of the changes sought to be effected now are indicated in the notes on clauses appended hereto.

Notes on Clauses.

Clause 2.—The definition of "dependant" has been enlarged to include a minor child of a deceased daughter where no parent of the child is alive.

Clause 3.—The provision relating to the liability of an employer for compensation has been widened so as to render him liable to certain additional occupational diseases which have been added to the list of diseases in Schedule III.

Clauses 4 and 5.—Clause 4 is intended to remove doubts as to whether a worker whose wages are paid otherwise than by the month or on a monthly basis can, under any circumstances, claim the benefits of the Act. A more formal definition of the expression "monthly wages" is therefore proposed. A provision enabling a workman, whose claim for compensation has been rejected on the above ground, to have the investigation of this claim re-opened is also incorporated by Clause 5.

Clause 6.—The period within which notice of an accident or death has to be given to a Commissioner has been raised from six months from the date of the accident or death to one year therefrom.

Under clause (*a*) of the proviso to this section (Section 10), failure to give notice is no bar to the maintenance of proceedings if the employer had notice of the accident or death. In practice, however, it has been found that in some cases the real employer pleads ignorance of the accident or death and escapes liability though other persons responsible to the employer in the business in which the employee met the accident or death may have notice. This defect is also sought to be removed.

Clause 10.—The right to appear before a Commissioner on behalf of any party to proceedings before him is now unlimited and any person authorised by a party may do so. The proposed amendment seeks to limit this right to a legal practitioner or an official of an insurance company or with the permission of the Commissioner to any other person, authorised by a party.

Clause 11.—Section 32-A of the Act limits the transfer of compensation to transfers between Mysore and British India or other Indian States. The present amendment permits not only transfers with all parts of His Majesty the King Emperor's Dominions or other Indian States but also provides for the transfer of money prior to its distribution where the employer consents to such transfer.

Clause 12.—Schedule II of the Act which gives a list of persons who are "workmen" within the meaning of the Act is proposed to be considerably enlarged and to include a number of new kinds of employment also.

Clause 13.—Schedule III of the Act giving a list of occupational diseases is proposed to be widened and a number of new diseases considered as occupational and giving a workman so affected during

his employment a right to compensation is added.

The other changes are of a minor nature.

Mr. B. S. CHANDRASEKHARA RAO referred to the provision in respect of parties entitled to compensation in the case of death by accident and wanted that an exhaustive list of claimants for compensation should be prepared and appended so that in case the persons already mentioned in the Act were not living, at least distant relations would derive the benefit of the compensation payable. Secondly, with regard to the persons authorised to award compensation, he brought to notice that if officers with only magisterial experience were to award compensation full relief to the parties might not be available. He therefore wished that the Commissioner should be defined as a person having either civil or both civil and magisterial experience.

Mr. K. CHENGALARAYA REDDY said that the amendments proposed were generally acceptable to the House. Most of them were indeed very necessary, but in regard to the waiting time which should precede the award of compensation, he said that the provision should be deleted. No doubt under the amendment, the waiting period has been reduced from 10 to 7 days, but it stood to reason that compensation must take effect from the date of the accident.

The principles of the bill were put to vote and passed unanimously.

The Mysore Petroleum Bill.

The SECRETARY to GOVERNMENT, DEVELOPMENT DEPARTMENT (Mr. V. Vedavyasacharya) explained the principles of the Bill as follows :—

The Mysore Petroleum Act was introduced in 1923 (I of 1923) on the lines of the Indian Petroleum Act of 1899 to control and regulate the importation, possession and transport of petroleum and other substance in the State. The Government of India Petroleum Act of 1934 on which the draft Petroleum Bill is now framed differs from that of 1899 in many respects. No provision exists in the present Act to regulate the production, refining and blending of petroleum, but the draft Bill provides for these. There are many important provisions incorporated in the draft Bill which have been found necessary in the course of administering the Act. The draft Bill is more comprehensive and based on the latest practice obtaining in the United Kingdom and British India.

Since the State has all along been following the British Indian practice in the matter of administration of the Petroleum Act, it is necessary that the Mysore Petroleum Act I of 1923 should be revised to bring it into line with the Indian Petroleum Act, 1934. The draft Bill has accordingly been framed on the lines of the Indian Act, except in certain minor respects to suit local conditions. When passed into law, it will supersede the Mysore Petroleum Act, I of 1923.

Mr. A. N. RAMA RAO suggested that the punishments provided for under Chapter III were very heavy and should be reduced.

The MINISTER for LAW (Rajaseva-prasakta A. V. Ramanathan) informed the member that the rates proposed were the same as those in vogue in British India.

Mr. A. N. RAMA RAO observed that offences were occurring very frequently in British India unlike in Mysore. So there might be need to provide for heavy punishments in British India. In Mysore, however, offences were rare and lighter punishments ought to serve the purpose in view.

The PRESIDENT observed that even though heavy rates of fines, etc., were provided in the bill, in practice the Magistrates would not generally levy the maximum rates.

Mr. S. N. M. RAZVI was opposed to the suggestion of Mr. Rama Rao.

The principles of the bill were put to vote and passed unanimously.

The Probate Administration (Amendment) Bill.

The SECRETARY to GOVERNMENT, DEVELOPMENT DEPARTMENT (Mr.

V. Vedavyasacharya) explained the principles of the Bill as follows :—

Under the second proviso to Section 2 of the Probate and Administration Act, 1914, no Court can receive applications for probate or letters of administration until the Government has, by a notification in the official Gazette, authorised it to do so.

Soon after the Act was passed in 1914, a notification was issued by Government (Notification No. J. 762/Legis. 18-14-1, dated 15th September 1914), authorising the High Court and all District Judges in Mysore, to receive applications for probate and letters of administration.

The High Court have recently expressed the opinion that all reasonable action ought to be taken to encourage parties to apply for probate and letters of administration about which, they state, there is far too much reluctance at present. They have therefore suggested that it would be convenient to empower subordinate judges—at least at District Headquarters other than Bangalore, Mysore and Shimoga—to entertain such applications. Such a course is also expected to relieve the District Courts of some work.

But as the Act stands at present, Subordinate Courts cannot be empowered to receive applications. They can only be empowered under Section 52 to grant probate and letters of administration in non-contentious cases, the applications themselves having been previously filed before the District Judge. It is accordingly proposed to amend the Probate and Administration Act in order to enable Government to empower courts other than the District Courts to receive applications. The present bill is intended for this purpose.

The principles of the bill were put to vote and passed unanimously.

The Maintenance Orders (Enforcement) Bill.

The SECRETARY to GOVERNMENT, DEVELOPMENT DEPARTMENT (Mr. V. Vedavyasacharya) explained the principles of the Bill as follows :—

Decrees for maintenance and orders under Section 488 of the Criminal Procedure Code passed in one country cannot, in all cases, be enforced in another. To facilitate such enforcement of maintenance orders, an Act was passed in the United Kingdom in 1920 and in British India in 1921.

These Acts provide a simple procedure for the mutual enforcement of orders of maintenance between different parts of His Majesty's dominions and territories under His Majesty's protection.

This bill is intended to afford facilities for such reciprocity with British India and other territories under His Majesty's protection.

The statement of general principles of a bill drafted for a similar purpose was placed before the Representative Assembly in 1927 and the bill was introduced in the Legislative Council the same year. But as it was discovered that the primary object of the measure then introduced, namely, reciprocity with England, could not be had under the English Statute which did not allow of such arrangement with Indian States, no further action was taken on it. At present, reciprocity is intended primarily with British India and as there is no legal bar to such reciprocity, it is intended to secure the legal sanction for such an arrangement by enacting this measure.

The principles of the bill were put to vote and passed unanimously.

BUSINESS UNDER RULE 33-A OF THE MYSORE LEGISLATIVE RULES, 1941.

Non-official Bill.—The Cutchi Memon Bill.

The SECRETARY to GOVERNMENT, LAW DEPARTMENT (Mr. H. V. Narayana Rao) stated that Mr. Mahomed Abba Sait, a member of the Legislative Council had proposed, under Rule 33-A of the Mysore Legislative Rules, 1941, that Legislation as proposed by him be enacted in Mysore for the reasons stated by him. These reasons and the Bill as drafted by him were as follows :—

The law of inheritance of the Cutchi Memons until the year 1938 was being

governed in British India by the Cutchi Memons Act of 1920 which, in effect, followed the principles of Hindu Law. But in the year 1938 the Act was repealed and replaced by Act X of 1938 (Cutchi Memons Act), enjoining therein that all matters of succession and inheritance shall be governed by the Mohammadan Law. This has given satisfaction to all the members of that community all over India.

But in Mysore, the law remains unsettled and it is necessary to bring it in conformity with the law in British India as laid down in Act X of 1938.

It is the wish of the members of this community who are born and domiciled in the Mysore State, that the Mohammadan Law must be applied in these cases. In order to give effect to this desire and to bring the law in conformity with the law in British India, the present bill is drafted. It may be stated here that it is exactly the copy of the law in British India, *i.e.* Act No. X of 1938, the Cutchi Memon Act.

Mr. S. N. M. RAZVI stated that the statement of principles was self-explanatory. There was no difference of opinion about the subject-matter of the bill, he requested the House do pass it unanimously.

Mr. T. S. RAJAGOPALA IYENGAR brought to notice that with regard to inheritance there were many points of difference as between Shias and Sunnis even in the Mahomadan Law. He therefore considered that it was incorrect to say that there would be no difference of opinion at all with regard to the inheritance concerning Cutchi Memons. He therefore wanted to know whether according to Mr. Mahomed Abba Sait, Cutchi Memons were to be guided by the Shia or the Sunni Law.

Mr. A. V. RAMANATHAN replied that the mover would probably clear that doubt in the Legislative Council.

Mr. T. S. RAJAGOPALA IYENGAR stated that he was anxious that Mysore should not merely copy a British Indian law, *ipsissima verba* even where it was incomplete.

Mr. A. N. RAMA RAO suggested that Cutchi Memons in the State should first be given an opportunity of having their say with regard to the proposed bill.

Mr. A. V. RAMANATHAN invited the attention of the member to paragraph 3 of the statement of principles in which it was stated that the members of the community desired that the proposed law should be enacted.

Mr. A. N. RAMA RAO said that he was not opposed to the bill especially because he as a Hindu was not going to be affected by it. But his point was that from time immemorial Cutchi Memons in Mysore were governed by Hindu Law of inheritance and succession. Now Mahomedan Law was proposed to be applied to them. On questions like inheritance and succession, there were many points of difference between Hindu and Mahomedan Laws. And even in Mahomedan Law differences would arise as between Sunnis and Shias as pointed out by Mr. Rajagopala Iyengar. For these reasons he was not quite sure that the Assembly would be well advised in agreeing to the bill without having clear views about it.

Mr. SYED ABDUL RAHIMAN said that such details might be threshed out in the Legislative Council. Mahomedan Law was one and it was not correct to say that different sects were affected in different ways by that law.

Mr. SHAIK AHMAD SAHEB shared the above views.

Mr. T. M. KHAN said that there was no objection to the proposed legislation from any quarter.

Mr. Bhupalam R. CHANDRASEKHARAYYA agreed that a law of the kind proposed was in force in British India, but no Indian State appeared to have legislated similarly. Mysore was proposed to be the first Indian State to legislate as proposed. He was therefore anxious to know beforehand how far such an action was really called for in Mysore. He suggested that the question might be taken up some time hence, because custom and usage might perhaps be affected by the proposed law.

Mr. A. K. SYED RASOOL stated that the Cutchi Memons were all Sunnis and it was clear that they would all come under the Sunni Law. Besides, there was no difference of opinion in regard to the

proposed bill. This was purely a religious question concerning only the Muslims. He therefore suggested that non-Muslims need not oppose it unnecessarily.

Mr. Bhupalam R. CHANDRASEKHARAYYA then stated that Cutchi Memons had obtained loans from money-lenders and others who were Hindus. If the proposed bill was passed, perhaps the Cutchi Memons as debtors would come under the Mahomedan Law. In that case the interests of the Hindu creditors might suffer in some way or other.

The PRESIDENT pointed out that there was no warrant for any such apprehension especially in view of the fact that Clause 3 of the bill suggested that nobody's right or liability was going to be affected by virtue of this bill.

Headed that as this was the first non-official bill coming up before the Assembly as re-constituted he wished to make some general observations. In regard to bills in which questions relating to religious customs, usages, etc., were involved, it was usual that the House would proceed with them only if all the communities concerned were genuinely anxious for the reforms contemplated. The Dewan-President's consent was necessary for a non-official bill to be brought up before the Assembly. But such consent would not ordinarily be given without reference to the interests of the persons concerned. The support given to the bill by the persons affected would be watched at every subsequent stage also. If the interests of the community were likely to be prejudiced, there were several stages when a community might make its opinion known. But it was not desirable for any member to move that consideration of the bill be postponed merely with a view to elucidating public opinion. If serious objections were apparent at any stage prior to the submission of the bill to His Highness the Maharaja for assent, it would be possible to take suitable action.

The principles of the bill were put to vote and passed without opposition.

Need for a Third Session of the Assembly.

Mr. K. HANUMANTHIAH, at this stage, brought to notice that the work of legislation in the State was steadily on the increase and was likely to be even more so in the coming days. Every issue of the *Mysore Gazette* contained a copy of some emergency Act or other. This meant that in future the Assembly was going to have more work under legislation. His Highness the Maharaja as well as the Government had often stated that in future everything of importance would be done by the Government in accordance with the wishes and views of the representatives of the people. It was necessary to remember that between the Budget Session and the Dasara Session every year there was an interval of only 2 to 3 months whereas between each Dasara Session and the Budget Session next following, the interval was as long as 7 to 8 months. For such a long period there was no contact at all between the Government and the representatives whatever. If the intention of the Government was to keep in touch with the people's representatives, then another session about the middle of the latter interval was quite necessary. The speaker hoped that Government would consider this suggestion sympathetically

With regard to the remaining business for the current session, **Mr. K. HANUMANTHIAH** assured the President of the fullest co-operation of the members of the Congress Party so that, as far as possible, all the business might be transacted before the close of the session.

Rao Bahadur M. RAMASWAMY stated that just now the Government had extended the duration of the Dasara Session to 14 days. If another session was to be held, it would lead to many difficulties. It was true that an interval of 7 to 8 months between 2 successive sessions of the House was very long. He would therefore suggest that the Government would consider the desirability of holding the Budget Session in the month of May every year instead of in June so that the interval between every 2 sessions of the House might be more or less 6 months.

The House rose for the day at 5 p.m to meet again at 12 of the clock the following day.